Government of Saskatchewan

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Cattle Market Update

For the Week Ending September 4, 2015

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
Sept. 4/2015	Average	$378.33	$368.67	$335.83	$300.67	$278.67	$265.75	$245.83
Sept. 4/2015	Range	368-425	341-405	320-365	289-324	268-303	256-283	240-259
week/week	Change	N./A.	$34.34	$9.66	-$4.50	-$4.16	$5.08	N.A
Aug. 28/2015	Average	N.A.	$334.33	$326.17	$305.17	$282.83	$260.67	N.A
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
Sept. 4/2015	Average	N.A.	N.A.	N.A.	$269.50	$257.33	$244.25	
Sept. 4/2015	Range	N.A.	N.A.	N.A.	258-290	250-268	237-255	
week/week	Change	N.A.	N.A.	N.A.	-$0.33	$4.08	-$0.42	
Aug. 28/2015	Average	N.A.	$315.67	$294.17	$269.83	$253.25	$244.67	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week. N.A. means not available due to lack of sufficient data.

Canfax reported that a total of 4,398 head of cattle were sold in Saskatchewan this week, down from 4,823 head marketed the previous week.

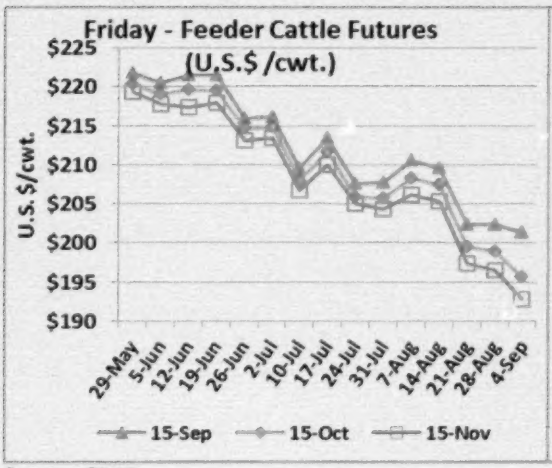
Saskatchewan feeder steer prices over the week were mixed but overall higher. The higher price gains were in the lower weight categories. Prices from the previous week ranged from $34.34 per cwt higher to $4.50 per cwt lower. The 400-500 lb. feeder steer weight category gained the most increasing $34.34 per cwt, followed by the 500-600 lb. weight category which increased $9.66 per cwt to average $335.83 per cwt. The 600-700 lb. weight category and 700-800 lb. weight category both declined by just over $4 per cwt.

Feeder heifer prices were only reported for the weight categories between 600 lb. and 900 lb. Feeder heifer prices over the week were mixed and ranged from $4.08 per cwt higher to $0.42 per cwt lower. The 700-800 lb. weight category had the only increase while the 600-700 lb. and 800-900 lb. weight categories had small losses.

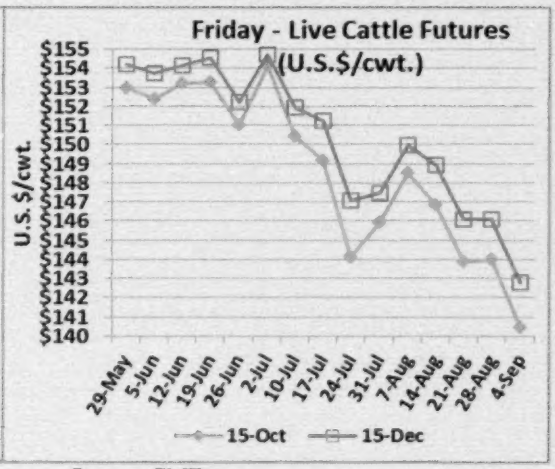
The Saskatchewan 750 lb. feeder steer basis compared to the September 3, 2015, U.S. feeder cattle index at US$207.82 per cwt was calculated at **+$3.01** per cwt (US$207.82/0.7539-$278.67), a basis widening of $2.50 per cwt from the basis of +**$5.51** per cwt the previous week. This was the second week in a row that Saskatchewan cattle had a positive basis.

Global stock markets in general continued to be volatile early in the week causing increased volatility into some of the commodity markets.

Feeder cattle futures prices were mixed over the week but ended the week lower, week-over-week. The September to November 2015, feeder cattle futures contracts declined between US$1.050 and US$3.675 per cwt, week-over-week. The nearby September contract declined the least at US$1.050 per cwt to settle Friday at US$201.350 per cwt, while the November contract declined the most at US$3.675 per cwt to settle Friday at US$192.900 per cwt.



Source: CME



Source: CME

Live cattle futures prices were also mixed over the week and ended lower, week-over week. The nearby October contract declined US$3.500 per cwt to settle Friday at US$140.475 per cwt, while the December contract declined US$3.275 per cwt to settle Friday at US$142.775 per cwt.

Iowa cash corn prices and corn futures were lower, week-over-week. Iowa cash corn prices declined ten cents over the week to settle on Friday at US$3.29 per bushel. The September corn futures contract declined almost 14 cents to settle Friday at US$3.49½ per bushel, while the December corn futures contract declined 12 cents to settle Friday at $3.63 per bushel.

Fed and Non-fed Cattle

	September 4, 2015	August 28, 2015	Change over Week
Steers (Alberta)			
Live	$179.48	$181.36	-$1.88
Rail	$296.00-300.50	$301.50-306.50	-$5.50to-6.00
Cows (Alberta)			
D1,2 Live	$140.88	$139.93	+$0.95
D3 Live	$129.38	$127.80	+$1.58
Rail	$264-269	$269-274	-$5.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were higher over the week. For the week D1,2 slaughter cows increased $0.95 per cwt to average $140.88 per cwt, while the price of D3 slaughter cows increased $1.58 per cwt to average $129.38 per cwt.

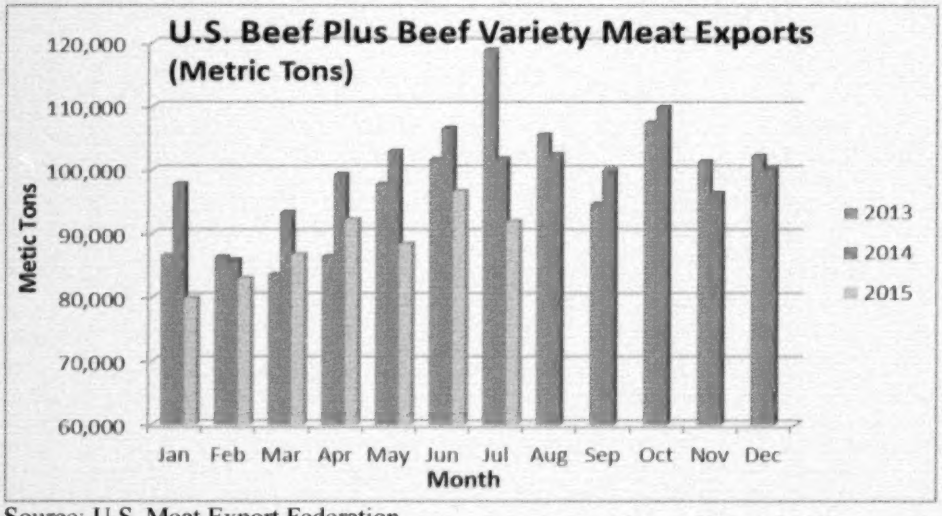
Fed cattle prices in Western Canada for Alberta fed steers were reported to average $179.48 per cwt for the week, down $1.88 per cwt from $181.36 per cwt the previous week. Alberta fed steer prices have declined for three consecutive weeks.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$141.75 per cwt, down US$3.11 per cwt from US$144.86 per cwt the previous week, and down 12.1 per cent from US$161.28 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$222.09 per cwt, down US$5.30 per cwt from US$227.39 per cwt the previous week, and down 11.4 per cent from US$250.61 per cwt the same week a year ago.

Choice beef cutout prices (600-900 lb.) averaged US$241.06 per cwt over the week, down US$2.91 per cwt or 1.2 per cent from US$243.97 per cwt the previous week, and down 2.6 per cent from US$247.62 per cwt the same week a year ago. While beef cutout values are currently below year-ago record levels, cutout prices are still well above the 10-year average.

United States Beef Exports

United States exported 91,955 metric tons of beef plus beef variety meats in July 2015, down 4.9 per cent from 96,716 metric tons in June 2015, and down 9.7 per cent from 101,799 metric tons in July 2014. By dollar amount, U.S. beef exports in July 2015 were US$555.7 million, down 4.0 per cent from US$578.9 million in June 2015, and down 10.6 per cent from US$621.7 million in June 2014. U.S. exports by volume year-to-date July 2015 were higher to South Korea, but lower to Japan, Mexico, Canada and Hong Kong; compared to the first seven months in 2014. (Source: U.S. Meat Export Federation)



Source: U.S. Meat Export Federation

United States beef and veal imports by carcass weight for July 2015 was 288 million lb., up 9.7 per cent from July 2014, but down 15.2 per cent from June 2015. Year-to-date as of July 2015, U.S. beef and veal imports were 32 per cent higher compared to the first seven months of 2014. Higher imports are primarily due to an increase from Australia which increased 55 per cent, followed by New Zealand. (Source: USDA Economic Research Service)

Beef production for the week was estimated at 463.9 million lb., up 2.5 per cent from 452.4 million lb. the previous week, and up 8.2 per cent from 428.8 million lb. the same week a year ago, which had a shorter work week. Cattle slaughtered over the week were estimated at 556,000 head, 2.0 per cent higher from 545,000 head the previous week, and up 6.3 per cent from 523,000 head the same week a year ago (shorter work week – labor day).

Friday Price Information

Product		This Week (Sept. 4, 2015)	Week of: (August 28, 2015)	Week of: (Sept. 5, 2014)
Canadian Dollar (closing rate US$)		.7539	.7567	.9190
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		207.82	209.85	224.28
Seven-day Weighted Average FC Index Wt. (lb.)		763	772	762
Live Fed 5-area Steer Price (US$ per cwt)		141.75	144.86	161.28
Feed Grains				
Barley	Lethbridge ($/tonne)	$215.00	$220.00	169.00
	($ per bu.)	$4.68	$4.79	3.68
Corn	Iowa State Average (CDN$/tonne)*	171.80	176.37	145.22
	(US$ per bu.)	3.29	3.39	3.39
	Omaha, NE (CDN$/tonne)*	180.16	187.29	145.65
	(US$ per bu.)	3.45	3.60	3.40
Futures				
	Sept. Corn (US$ per bu.)	3.49½	3.63¼	3.46½
	Dec. Corn (US$ per bu.)	3.63	3.75	3.56
	October Live Cattle (US$ per cwt)	140.475	143.975	159.750
	December Live Cattle (US$ per cwt)	142.775	146.050	160.925
	September Feeder Cattle (US$ per cwt)	201.350	202.400	225.725
	November Feeder Cattle (US$ per cwt)	192.900	196.575	222.925

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate (This week it is Thursday's CDN$)

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